



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

ANDY DILLON
STATE TREASURER

MINUTES OF THE MEETING OF THE STATE TAX COMMISSION

***Richard H. Austin / Treasury Building, Treasurer's Board Room
430 W. Allegan
Lansing, Michigan***

***Tuesday, January 22, 2013
9:00 a.m.***

***PRESENT: Douglas B. Roberts, Chair STC
Robert H. Naftaly, Member STC (Telephonic Conference)
Barry S. Simon, Member STC (Telephonic Conference)

Kelli Sobel, Executive Secretary
LaNiece Densteadt, Recording Secretary***

The item numbers referred to in the minutes correspond to the agenda items as numbered.

Planning Issues for 2013: (Item 1 on agenda)

- 1. MCL 211.154 Petitions:** The Bureau of Local Government is in the process of an intensive Business Process Review Initiative. As part of this initiative, the Chairman asked that an action item be added regarding: "A way to reduce the effort by Local Governments to do business with the STC i.e. tax appeal meetings. Assessors are notified of all issues on the STC docket but taxpayers don't show up so assessors wasted a trip to the meeting."

In order to evaluate this action item, we first developed several alternatives and then asked all of our Advisory Committee members to comment on the options. Options included:

Option 1: Business as usual with the STC continuing the call in 10 days prior to the meeting. Assessors are not required to show up for the meeting but strongly encouraged.

Option 2: Any taxpayer that does not call in 10 days before the meeting will not be heard at the meeting. Assessors are required to attend if their taxpayer is attending.

Option 3: Petitions are held in the year received. In the following year, petitions are scheduled by local unit and assessors are required to attend.

Option 4: All petitions are heard on the file. STC members will review and ask any questions of staff at the meeting.

Option 5: Any petition with taxable value in contention of \$50,000 (number will be determined based upon a database query) or greater will be scheduled before the STC for a meeting. Assessors will be required to attend. All other petitions will be reviewed by STC staff based upon the file and a recommendation made to the STC.

Option 6: Any other ideas you may have.

The majority of the assessors who responded indicated they would prefer the Commission keep things the way they currently are or move to some type of “hybrid” where some cases are “heard on the file” and some are heard by the Commission. A query of the database indicated the following:

From 2009 November 2012 the STC received 9,029 petitions. Of those, 1,276 had a value change in year one of \$50,000 or greater, while 792 had a value change in year one of greater than \$100,000.

Looking at a single year only, in 2011 the STC received 2,300 petitions. Of those, 275 had a value change in year one of \$50,000 or greater, while 159 had a value change in year one of greater than \$100,000.

The Commission discussed the impact of the changes in the personal property tax and how those will affect the number of MCL 211.154 petitions filed. The Commission further discussed that no changes should be made for the 2013 year.

2. **Educational Programs:** We continue to move forward with the STC educational programs. The first class of new Master Level Assessors graduated in June 2012 and the first class of new entry level assessors graduated in October 2012. Four additional entry level classes graduate this year (February, April and 2 programs in October), another Master class will graduate in June and the first Advanced level class will also graduate in June. The next Master and Advanced classes will begin this May with the entry level class beginning in July 2013 and January 2014.

The Commission discussed issues related to education for Advanced Level Assessors and the desire for the Certification Committee to review possible continuing education directed at the Advanced Level.

3. **Local Unit Audits:** Due to reductions in staffing, we have been unable to complete any local unit audits since 2011. In addition, staff has not been able to complete the analysis of the effectiveness of the AMAR (Audit of Minimal Assessing Practices). While critically important, staff is unsure how to meet the STC goal of completing audits in 8 to 10 Counties Annually.

The Commission discussed the staffing reductions and the audits and will prepare a memo to Treasury regarding the issue of auditing the local units, the importance of the program to the Commission and the need to continue to improve assessment administration through this program.

5. **State Assessed Telephone Companies:** A meeting was held last week with representatives from the Telecom Industry and staff regarding obsolescence issues and also the issue of the floor for the switching and circuit tables. Staff will present a recommendation at the February meeting.
4. **Legislative Changes:** A number of significant changes to property tax law were passed at the end of the 2012 Legislative Session. These include changes to the personal property tax, transfers of ownership and exemptions related to various programs. The majority of these changes do not go into effect until the 2014 assessment year. The Commission will need to focus considerable time in 2013 to provide guidance to assessors regarding these changes.

Public Comment: (Item 2 on agenda) No member of the public wished to comment.

The next Commission meeting will be held February 4, 2013 at the Lansing Center in Room 201, 333 East Michigan Avenue, Lansing.

The meeting was adjourned at 9:40 a.m.

DATED TYPED: January 22, 2013

DATE APPROVED: February 4, 2013

Douglas B. Roberts, Chair
State Tax Commission

Robert H. Naftaly, Member
State Tax Commission

Barry N. Simon, Member
State Tax Commission